

# ***Dry Cleaner Environmental Response Fund (DERF) Program***

## **What Is It?**

- Industry-developed initiative to provide financial protection for drycleaners should contamination occur from their operations (State Legislature passed in 1997)
- A reimbursement program – with cost controls including no financing costs/attorney costs, multiple-phase bidding requirements with DNR project manager approvals required
- Funded by 1.8% fee on drycleaning gross receipts, \$5/gal perchloroethylene and \$.75/gal other solvents fee paid by chemical distributors
- Collect approximately \$1 million/year
- Drycleaner owner and operators and the property owner of a licensed facility are eligible
- Maximum award is \$500,000 per facility
- Sliding scale deductible based on cost of response actions
- 13 states have similar programs



## **How Does It Work?**

- Dept. of Revenue (DOR) collects fees from licenses drycleaners
- DOR has 1 position from fund for licensing
- DNR has 3 positions from fund (1 auditor/2 hydrogeologists)
- When contamination is discovered, drycleaner notifies DNR and follows process for conducting cleanups
- DNR staff approve selected bidders; provide technical assistance/program management
- Responsible parties must conduct cleanup consistent with ch. NR 700 cleanup rule series/get reimbursed as specific milestones are reached
- Application to the program must be made before August 30, 2008



## **Who Are The Clients?**

- Wisconsin Fabricare Institute (Brian Swingle, Exec Dir.; Don Gallo – attorney)
- Governor's Council on DERF (four drycleaners, one equipment supplier, one consultant, one chemical manufacturer)
- Individual drycleaners with contamination/property owners who are eligible

## **Program Status**

- 350 licensed drycleaners in the state
- 130 sites with investigations initiated
- 42 sites with complete investigations
- 9 sites closed



DERF Web Site: <http://dnr.wi.gov/org/aw/rr/financial/dryclean.html>  
Wisconsin Department of Natural Resources  
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